



PRESS RELEASE

PAION GRANTS LICENCE FOR TURKEY TO ADD TO R-PHARM TERRITORY

- R-Pharm to extend Russian/CIS territory by adding Turkey
- EUR 1.0 million upfront payment
- EUR 3.0 million in future milestone payments
- Low double digit royalties
- Limited clinical bridging work in Turkey needed
- Expected launch of Remimazolam in Turkey 2016

Aachen (Germany), 26 November 2013 – PAION AG (ISIN DE000A0B65S3; Frankfurt Stock Exchange General Standard: PA8) and R-Pharm, Russia, today announced that they have extended their license agreement for Remimazolam to include Turkey. TR-Pharm, based in Istanbul, is an affiliate of Moscow based Remimazolam licensee R-Pharm, which entered into an exclusive licence agreement for Russia (CIS) on October 30, 2013. TR-Pharm will manage the development and marketing approval process in Turkey.

PAION will receive an upfront payment in the amount of EUR 1.0 million, potential regulatory and commercial milestone payments of up to EUR 3.0 million and low double digit royalties on net sales in the Territory.

TR-Pharm intends to market Remimazolam in all indications with the lead indication anaesthesia and plans to start a bridging study in anaesthesia as soon as possible with an expected launch of Remimazolam in 2016.

Dr. Wolfgang Söhngen, Chief Executive Officer of PAION AG, stated: „ *The young and entrepreneurial (T)R-Pharm team with their excellent analysis and positioning of Remimazolam for their exciting market has convinced us, that they will be an excellent partner. The agreement has been reached in record time and the ONO Phase III data two weeks ago came in timely. Covering major Asian markets already and now regions which are parts of the strongest economies of EurAsia is a major step in our “String of Pearls” strategy and sets a further benchmark for other regions.*”

“*The high expertise of PAION together with our clinical, regulatory and commercial capabilities and strong demand for efficient and safe anaesthetic in the Turkish market – create the momentum to bring this innovative drug to patients*“, said Vasily G. Ignatiev, CEO of R-Pharm.

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About Remimazolam

Remimazolam is an innovative short-acting general anaesthetic/sedative. Due to its short duration of action and good controllability, it has a preferable efficacy and safety profile relative to other currently marketed anaesthesia

compounds. The rapid offset of Remimazolam's effect is due to its metabolism by tissue esterase enzymes that are widely distributed throughout the body.

Remimazolam has potential in three indications:

- Procedural sedation
- General anaesthesia
- ICU sedation

Remimazolam is available for licensing outside Japan, China, Russia (CIS) and Turkey, as well as South Korea, where the compound is partnered with Ono Pharmaceutical, Yichang Humanwell, R-Pharm and Hana Pharm.

About PAION

PAION AG is a publicly-listed biotech company headquartered in Aachen, Germany with a second site in Cambridge, UK. The company has a track record in developing hospital-based treatments for which there is substantial unmet medical need. PAION AG is transforming its business model from a pure development company to a specialty pharmaceutical company with a focus on anaesthesia products to take advantage of the unique profile of its main compound, Remimazolam.

About R-Pharm, TR-Pharm

R-Pharm is a Russian private pharmaceutical company with focus on hospital/specialty care, founded in 2001. Turnover in 2012 was over 1.8 bn USD. R-Pharm has over 2800 employees and covers the entire territory of Russia and CIS. The company is involved in research and development, manufacturing, marketing, sales and distribution of innovative pharmaceutical and biotech products.

TR-Pharm is R-Pharm's affiliated company headquartered in Istanbul, Turkey aiming to launch innovative products with a vision of constructing a biotech production facility in line with the incentive plan announced by the Turkish Government.

<http://r-pharm.com/en/>

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